

# NEWS BRIEF

Provided by: Ronstadt Insurance, LLC

## Average Hospital Stay Costs Have Nearly Doubled Since 2004

According to recent data compiled by online personal finance website ValuePenguin, U.S. workers making \$26.22—the national average hourly earnings—must work 504 hours to cover a typical out-of-pocket hospital stay. The data revealed that the average hospital stay is 4.6 days, and it costs patients without insurance an average of \$2,873 per day for inpatient and outpatient treatment.

The data differs based on where patients are located. Oregon residents need to work the most hours to afford the average hospital stay. For those residents, a 4.6-day hospital stay costs \$18,336, which equates to 646 hours of work. Utah ranks the next highest, with residents needing to work 600 hours, followed by New Mexico and Ohio at 581 hours. Additionally, minimum wage earners in Utah must work 2,126 hours—the most of any state—to afford a typical hospital stay. Wyoming is the most affordable state, with residents needing to work 269 hours to cover the average hospital stay. According to the data, states with the most expensive stays also tend to have the fewest primary care providers per capita.

The cost of an average hospital stay has increased by 98% since 2004; however, this increase drops to 35% when adjusted for changes in hourly earnings over time. In 2004, the average cost of a hospital stay was \$1,450 per day, and an individual had to work an average of 374 hours at \$17.86 per hour to pay the entire bill for a 4.6-day hospital stay.

The rise in the cost of health care services is linked to increased market consolidation among health plans, hospitals, medical groups or physician organizations, pharmacy benefit managers and other health care entities. Hospitals and medical groups are able to

charge more in locations with fewer health care providers. Additionally, the price of medical equipment and prescription drugs is increasing.

As the U.S. population ages, the number of individuals suffering from a chronic illness also rises; these are some of the most expensive health-related conditions. The cost of care for chronic diseases ranges; for example, care is \$173 billion per year for obesity and \$305 billion per year for Alzheimer's disease, according to the Centers for Disease Control and Prevention (CDC). Approximately three-quarters of Americans over 65 years of age have at least one chronic disease, per the CDC.

### What This Means

Affording hospital stays is becoming increasingly challenging for many Americans, leaving some with a large amount of medical debt. This is particularly true of individuals who require overnight hospital stays. However, there are several things individuals can do to reduce hospital costs, including selecting an insurance plan that provides the benefits and care they need, establishing a health savings account to provide a safety net in case of a medical emergency and checking medical bills for errors.

Contact Ronstadt Insurance, LLC for more health care resources.

